

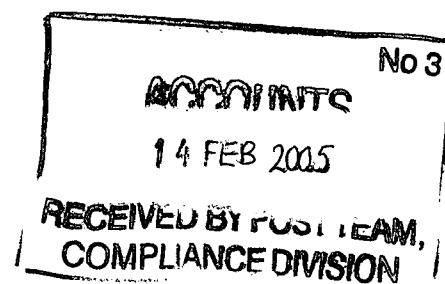
242451

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

FINANCIAL STATEMENTS

for the year ended

31 December 2003



Company Registration No. 699764  
Registered Charity No. 242451

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

INDEX TO ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2003

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	Page
Directors and officers	1
Directors' report	2-3
Statement of Directors' responsibilities	4
Report of the auditors	5-6
Statement of financial activities	7
Income and Expenditure account	8
Balance sheet	9
Cash Flow Statement	10
Accounting policies	11-12
Notes to the financial statements	13-21
Trustees Report	22-23

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

DIRECTORS AND OFFICERS

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DIRECTORS

J E Berry  
A K Broadway  
B L Buckner  
B C James  
T J Spallino

SECRETARY

A K Broadway

COMPANY NUMBER

699764 (England and Wales)

CHARITY NUMBER

242451

REGISTERED OFFICE

751 Warwick Road  
Solihull  
West Midlands B91 3DQ

AUDITORS

PricewaterhouseCoopers LLP  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

BANKERS

HSBC  
Bank of America  
Bank of Ireland

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

STATEMENT OF FINANCIAL ACTIVITIES  
for the year ended 31st December 2003

	Notes	Unrestricted Funds £'000	Restricted Funds (Note 8) £'000	Total funds 2003 £'000	Total funds 2002 £'000
Incoming Resources					
Donations	1	23,392	2,656	26,048	23,217
Exceptional item-parent company donation	17	5,000	-	5,000	10,000
Other operating income		88	-	88	153
Interest receivable		75	-	75	89
Profit on disposal of tangible fixed assets		577	-	577	45
Total incoming resources		29,132	2,656	31,788	33,504
Resources expended					
Direct charitable expenditure	2	26,857	1,751	28,608	31,760
Other expenditure					
Management and administration of the charity	4	70	-	70	68
Total resources expended	3	26,927	1,751	28,678	31,828
Net movement in funds for the year		2,205	905	3,110	1,676
Fund balances brought forward at 1 January 2003		13,539	2,200	15,739	14,063
Fund balances carried forward at 31 December 2003		15,744	3,105	18,849	15,739

CONTINUING OPERATIONS

None of the charity's activities were acquired or discontinued during the above two financial years.

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## DIRECTORS' REPORT

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The directors, who are the charity's trustees, submit their report and the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) the year ended 31 December 2003.

### LEGAL AND ADMINISTRATIVE INFORMATION

The Church of Jesus Christ of Latter-day Saints (Great Britain) is an unlimited company and a registered charity. The charity is governed by its Memorandum and Articles of Association.

### PRINCIPAL ACTIVITIES

The principal object of the charity is to promote and further the religious and charitable work of the Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere. The company's function is to co-ordinate the administration of church programmes. No major changes are envisaged in the future. The company will continue with its principal activity.

### RESULTS

The surplus of income over expenditure for the year was £3,110,000 (2002 - £1,676,000). This result was significantly influenced by a donation of £5,000,000 (2002 - £10,000,000) from our parent company, the Corporation of the President of the Church of Jesus Christ of Latter-day Saints and a donation of £500,000 (2002: £1,000,000) to our fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Welfare).

The directors do not recommend the payment of a dividend, which leaves a surplus of £18,849,000 to be retained.

Assurances of continued financial support have been received from The Corporation of the President of the Church of Jesus Christ of Latter-day Saints.

### REVIEW OF THE YEAR

A review of the year is included within the Trustees' report on pages 22 and 23 of these financial statements.

### DISABLED PERSONS

The charity will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. The number of disabled persons employed by the charity during the year was 5.

### EMPLOYEE INVOLVEMENT

The charity encourages the involvement of its employees in its management through regular meetings of councils which have responsibility for the dissemination of information of particular concern to employees and for receiving their views on important matters of policy.

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## DIRECTORS' REPORT

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### DIRECTORS

The following directors have held office since 1 January 2003:-

J E Berry            - appointed 13 August 2004  
B L Buckner  
B C James  
A K Broadway  
T J Spallino        - appointed 13 August 2004

### DIRECTORS' INTERESTS IN SHARES

None of the directors had, at any time during the year, a beneficial interest in the share capital of the company.

### CHARITABLE CONTRIBUTIONS

During the year the charity made charitable grants totalling £948,000 (2002 £1,612,000)

### AUDITORS

Following the conversion of our auditors PricewaterhouseCoopers to a limited liability partnership (LLP) on 1 January 2003, PricewaterhouseCoopers resigned on 5 March 2003 and the directors appointed its successors, PricewaterhouseCoopers LLP as auditors.

A resolution to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board

A K Broadway  
Secretary  
15th December 2004

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS  
for the year ended 31st December 2003

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Company law requires the directors' to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare the financial statements on going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 11 and 12 under " Accounting policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

The directors' are responsible for keeping proper accounting records That disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)  
for the year ended 31st December 2003

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHURCH OF JESUS CHRIST  
OF LATTER-DAY SAINTS (GREAT BRITAIN)

We have audited the financial statements which comprise the statement of financial activities, the balance sheet and related notes.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors also act as trustees for the charitable activities of The Church of Jesus Christ of Latter-day Saints (Great Britain). Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view, and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



AUDITORS' REPORT TO THE MEMBERS OF  
THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)  
for the year ended 31st December 2003

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OPINION

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure in the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Donington Court  
Pegasus Business Park  
Castle Donington  
East Midlands  
DE74 2UZ

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREATBRITAIN)

INCOME AND EXPENDITURE ACCOUNT  
for the year ended 31st December 2003

	2003 £'000	2002 £'000
Gross income from continuing operations (including parent company donation of £5,000,000 (2002 £10,000,000 - see note 17))	31,788	33,504
Total expenditure	<u>28,678</u>	<u>31,828</u>
Net surplus for the year	<u>3,110</u>	<u>1,676</u>

Gross income represents £29,132,000 for unrestricted funds and £2,656,000 for restricted funds. A detailed analysis of income by source and expenditure is provided in the Statement of Financial Activities and notes 1 to 4.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

STATEMENT OF RETAINED RESERVES

	2003 £'000	2002 £'000
Retained reserves at 1 January 2003	15,739	14,063
Net surplus for the year	<u>3,110</u>	<u>1,676</u>
RETAINED RESERVES AT 31 DECEMBER 2003	<u>18,849</u>	<u>15,739</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

BALANCE SHEET  
as at 31st December 2003

	Notes	2003 £'000	2002 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	<u>232,277</u>	<u>218,719</u>
<b>CURRENT ASSETS</b>			
Debtors	10	5,167	3,709
Cash at bank and in hand		628	895
		<u>5,795</u>	<u>4,604</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(1,552)</u>	<u>(2,125)</u>
<b>NET CURRENT ASSETS</b>		<u>4,243</u>	<u>2,479</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>236,520</b>	<b>221,198</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(217,671)	(205,459)
		<u>18,849</u>	<u>15,739</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	-	-
Income funds:			
Unrestricted funds:		15,744	13,539
Restricted funds	8	<u>3,105</u>	<u>2,200</u>
	14	<u>18,849</u>	<u>15,739</u>

Approved by the board on 15th December 2004

A K Broadway  
Director

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

CASH FLOW STATEMENT

for the year ended 31st December 2003

	Notes	2003 £'000	2002 £'000
Reconciliation of operating deficit to net cash outflow from operating activities			
Operating deficit	15a	(2,042)	(7,458)
Depreciation		6,315	6,039
(Increase)/decrease in debtors		(1,458)	(1,121)
(Decrease)/Increase in creditors		(573)	859
Net cash inflow/(outflow) from operating activities		2,242	(1,681)
	Notes	2003 £'000	2002 £'000
Net cash inflow/(outflow) from operating activities		2,242	(1,681)
Returns on investments and servicing of finance	15b	75	89
Capital expenditure	15c	(19,296)	(10,091)
Financing:			
Receipts from parent company		16,712	11,826
Increase/(Decrease) in cash		(267)	143
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
	Notes	2003 £'000	2002 £'000
Increase (Decrease) in cash in the period		(267)	143
Net funds at 1 January 2003		895	752
Net funds at 31 December 2003	15d	628	895

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING.

These financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations October 2000, the Statement of Recommended Practice "Accounting and Reporting by Charities" and under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

### FRS 18

The directors have reviewed the accounting policies and confirmed that they are the most applicable.

### INCOMING RESOURCES

Donations represent amounts collected from UK members on a receipts basis, together with income tax recoverable for amounts paid under Deed of Covenant and Gift Aid.

Periodically further donations are received from the company's parent company, The Corporation of the President of The Church of Jesus Christ of Latter-day Saints, to provide funds for the company's charitable activities and to ensure that the company has adequate reserves. These donations may be received by way of cash or partial cancellation of amounts due to the parent company. These donations are separately disclosed in the statement of financial activities and income and expenditure account.

### RESOURCES EXPENDED

Direct charitable expenditure comprises expenditure directly relating to the objects of the charity. Costs are either specifically identified or apportioned on an appropriate basis between direct charitable expenditure and management and administration of the charity. Expenditure is recognised on an accruals basis.

### TANGIBLE FIXED ASSETS

Depreciation is provided on all tangible fixed assets other than freehold land and assets in the course of construction at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	over 50 years
Furnishings within freehold buildings	over 10 years
Equipment	over 10 years
Motor vehicles	over 4 years

### FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

#### PENSION CONTRIBUTIONS

The costs of providing pensions is calculated using actuarial valuation methods which reflect the long-term costs of providing such pensions.

For defined benefit schemes the regular cost of providing for pensions is calculated so as to produce a substantially level percentage of the current and estimated future pensionable payroll; variations from the regular cost so calculated are allocated to the income and expenditure account over the average remaining service lives of employees.

The company has adopted the transitional arrangements of FRS17 "Retirement Benefits" for the year ended 31 December 2003. The disclosures required by this standard are shown in note 19. As permitted by its transitional arrangements, figures arising under the standard have not been reflected in the financial statements.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

1 RESTRICTED INCOME	2003 £'000	2002 £'000
Missionary support fund	1,058	1,017
Book of Mormon fund	40	42
Fast Offering fund	1,272	1,248
Perpetual Education fund	42	101
Temples Construction Fund	51	45
Humanitarian Aid fund	193	168

2,656      2,621

2 DIRECT CHARITABLE EXPENDITURE	Unrestricted Funds £'000	Restricted Funds £'000	Total 2003 £'000	Total 2002 £'000
Staff costs	7,304	-	7,304	7,010
Travel	784	-	784	848
General administration	2,036	-	2,036	2,008
Materials and supplies	246	-	246	263
Equipment	687	-	687	814
Physical facilities	8,162	-	8,162	11,000
Unit costs	626	-	626	246
Missionary support expenditure	-	871	871	983
Exchange loss/(gain)	629	-	629	937
Depreciation	6,315	-	6,315	6,039
Grants	-	187	187	237
Humanitarian Aid	68	193	261	375
Donation - The Church of Jesus Christ of Latter-day Saints (Welfare)	-	-	-	-
	-	500	500	1,000
	<u>26,857</u>	<u>1,751</u>	<u>28,608</u>	<u>31,760</u>

3 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other £'000	Depreciation £'000	Total £'000
Direct charitable expenditure	7,274	15,019	6,315	28,608
Management and administration of the charity	20	50	-	70
	<u>7,294</u>	<u>15,069</u>	<u>6,315</u>	<u>28,678</u>

This is stated after charging:	2003 £'000	2002 £'000
Depreciation of tangible fixed assets	6,315	6,039
Auditors' remuneration - audit	31	25
- other services	-	-
Exchange (gain)/loss	629	937

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

4 MANAGEMENT AND ADMINISTRATION OF THE CHARITY

	Unrestricted funds £'000	Restricted funds £'000	Total 2003 £'000	Total 2002 £'000
Office costs	20	-	20	18
Professional charges	50	-	50	50
	70	-	70	68

5 EMPLOYEES

	2003 No.	2002 No.
The average weekly number of persons (including directors) employed by the group during the year was:		
Teaching function	21	17
Office administration	163	181
Building cleaners	249	243
	433	441

	2003 £'000	2002 £'000
Staff costs for the above persons:		
Wages and salaries	6,026	5,816
Social security costs	468	417
Other pension costs	536	532
	7,030	6,765

The number of employees whose emoluments fell within the following bands during the year were as follows:

	2003	2002
£70,001 - £80,000	1	1
£60,001 - £70,000	6	7
£50,001 - £60,000	15	16

DIRECTORS' REMUNERATION

None of the directors received any remuneration from the charity during the year.



# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

### 6 TAXATION

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

### 7 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted Funds £'000	Total Funds £'000
Tangible fixed assets	232,277	-	232,277
Current assets	2,690	3,105	5,795
Liabilities due under one year	(1,552)	-	(1,552)
Liabilities due after more than one year	(217,671)	-	(217,671)
	15,744	3,105	18,849

### 8 RESTRICTED FUNDS

The capital and income funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust to be applied for specific purposes.

	Balance 1.1.03 £'000	Incoming resources £'000	Expenditure & transfers £'000	Balance 31.12.03 £'000
Fast Offering fund	414	1,272	(500)	1,186
Missionary support fund	1,598	1,058	(870)	1,786
Book of Mormon fund	42	40	(42)	40
Temple Construction fund	45	51	(45)	51
Humanitarian Aid fund	-	193	(193)	-
Perpetual Education fund	101	42	(101)	42
	2,200	2,656	(1,751)	3,105

### FAST OFFERING FUND

These funds are contributed by members of the Church to be used in the relief of the poor and needy. During the year £500,000 was given to our sister charity The Church of Jesus Christ of Latter-day Saints (Welfare) which will apply these funds to the relief of the poor and needy not only in the United Kingdom and Ireland but to other countries in Europe and Africa.

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

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### 8 RESTRICTED FUNDS - continued

#### MISSIONARY SUPPORT FUND

The missionary support fund represents donations from members in the United Kingdom and Ireland towards the costs of the Church's worldwide missionary fund programme which is co-ordinated and administered by The Corporation of the President of The Church of Jesus Christ of Latter-day Saints. During the year funds are transferred to the parent company, The Corporation of the President of The Church of Jesus Christ of Latter-day Saints, as authorised by the trustees. Funds authorised for specified missionaries are released evenly over their mission term of either 18 months or two years. The balance unexpended at the year end represents funds authorised but not yet transferred in respect of specified serving missionaries and funds reserved for future missionaries.

#### BOOK OF MORMON FUND

These funds are donated by the members towards the production and distribution costs of The Book of Mormon Another Testament of Jesus Christ. This book is printed by The Church of Jesus Christ of Latter-day Saints. The balance of these funds at 31 December 2003 were transferred immediately after the year end.

#### TEMPLE CONSTRUCTION FUND

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world. The balance of these funds at 31 December 2003 were transferred immediately after the year end.

#### HUMANITARIAN AID FUND

These funds are donated by the members to help fund the programme of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints. The amount expended in 2003 was in respect of projects in the United Kingdom and Ireland.

#### PERPETUAL EDUCATION FUND

These funds are donated by the members to meet the costs of the Church's worldwide programme of providing the means for individuals to receive education and training towards a future career that they would be unable to afford without financial assistance from elsewhere. The balance of the fund unexpended at 31 December 2003 was transferred immediately after the year end.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

9 TANGIBLE FIXED ASSETS

	Assets in the course of construction £'000	Land and Buildings £'000	Equipment £'000	Motor Vehicles £'000	Total £'000
Cost:					
1st January 2003	5,856	246,331	4,453	2,971	259,611
Transfers	(2,035)	2,035	-	-	-
Additions	10,378	8,917	31	742	20,068
Disposals	-	(171)	(2,636)	(729)	(3,536)
31st December 2003	14,199	257,112	1,848	2,984	276,143
Depreciation:					
1st January 2003	-	35,151	3,682	2,059	40,892
Charge for Year	-	5,500	185	630	6,315
Disposals	-	(13)	(2,636)	(692)	(3,341)
31st December 2003	-	40,638	1,231	1,997	43,866
Net book value:					
31st December 2003	14,199	216,474	617	987	232,277
31st December 2002	5,856	211,180	771	912	218,719

Included within Land and Buildings is £26,160,000 of land which has not been subject to depreciation.

10 DEBTORS

	2003 £'000	2002 £'000
Due within one year		
Other debtors	5	38
Prepayments and accrued income	5,140	3,389
Deposits and Advances	22	282
	<u>5,167</u>	<u>3,709</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

11 CREDITORS: Amounts falling due within one year

	2003 £'000	2002 £'000
Other taxation and social security costs	133	1
Other creditors	1,223	1,930
Deferred income	196	194
	<u>1,552</u>	<u>2,125</u>

12 CREDITORS: Amounts falling due in more than one year

	2003 £'000	2002 £'000
Loan from parent company	<u>217,671</u>	<u>205,459</u>

This is a loan from the Corporation of the President of the Church of Jesus Christ of Latter-day Saints which is subordinated in favour of all other creditors. The loan is interest free and there are no fixed repayment terms.

13 SHARE CAPITAL

	2003 £	2002 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid 6 ordinary shares of £1 each	<u>6</u>	<u>6</u>

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £'000	2002 £'000
Deficit/surplus for the financial year	3,110	1,676
Opening shareholders' funds	15,739	14,063
Closing shareholders' funds	<u>18,849</u>	<u>15,739</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

15 NOTES TO THE CASH FLOW STATEMENT

a Operating deficit	2003 £'000	2002 £'000
Net surplus for the year	3,110	1,676
Interest received	(75)	(89)
Profit on disposal of tangible fixed assets	(577)	(45)
Parent company donation	(5,000)	(10,000)
Donation to fellow subsidiary	500	1,000
Operating deficit	<u>(2,042)</u>	<u>(7,458)</u>

b Returns on investments and servicing of finance

Interest received	75	89
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c Capital expenditure

Payments to acquire tangible fixed assets	(20,068)	(10,232)
Receipts from sales of tangible fixed assets	772	141
	<u>(19,296)</u>	<u>(10,091)</u>

d Analysis of changes in net funds

	At 01.1.03 £'000	Cashflows £'000	At 31.12.03 £'000
Cash at bank and in hand	895	(267)	628
	<u>895</u>	<u>(267)</u>	<u>628</u>

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2003

### 16 CAPITAL COMMITMENTS

	2003 £'000	2002 £'000
Capital expenditure authorised by the directors but not contracted for	<u>6,785</u>	<u>9,492</u>
Capital expenditure authorised by the directors and contracted for	<u>21,400</u>	<u>15,062</u>

### 17 RELATED PARTY TRANSACTIONS

The company is owned jointly by the Corporation of the President of the Church of Jesus Christ of Latter-day Saints and the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, both companies incorporated in the state of Utah, United States of America.

Details of the loan account with the Corporation of the President of the Church of Jesus Christ of Latter-day Saints are included in note 12. Assurances of continued financial support have been received from the Corporation of the President of the Church of Jesus Christ of Latter-day Saints.

During the year the Corporation of the President of The Church of Jesus Christ of Latter-day Saints donated £5,000,000 (2002 £10,000,000) to the company by way of partial cancellation of amounts due to it, to assist in the funding of the charitable activities undertaken during the year. This has been disclosed separately in the statement of financial activities and the income and expenditure account.

During the year the company acted as agent of the Corporation of the President of The Church of Jesus Christ of Latter-day Saints in the transfer of funds to and from other Church entities throughout the world. Balances arising from those transactions are dealt with as entries on behalf of the Corporation of the President of The Church of Jesus Christ of Latter-day Saints, and not as debtors and creditors of the company.

In addition the company acts as an agent of the Corporation of the President of The Church of Jesus Christ of Latter-day Saints in meeting certain costs of the Church's worldwide missionary programme in the United Kingdom and Eire. These transactions are dealt with as entries on behalf of the Corporation of the President of The Church of Jesus Christ of Latter-day Saints and not as expenditure of the company.

During the year the company contracted with another fellow subsidiary The Church of Jesus Christ of Latter-day Saints (Welfare) for it to carry out construction of church buildings on the company's behalf. The value of this work in the year was £7,581,000 (2002 £2,755,000).

During the year the company donated £500,000 (2002 £1,000,000) to the Church of Jesus Christ of Latter-day Saints (Welfare).

### 18 COMMITMENTS UNDER OPERATING LEASES

At 31 December 2003 the company had no material annual commitments under non-cancellable operating leases.

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2003

19 PENSION AND OTHER POST EMPLOYMENT COMMITMENTS

The company participates in the Deseret UK Benefits Plan. This is a funded defined benefit multi-employer scheme in the United Kingdom.

A full actuarial valuation was carried out at 31 December 2001 and updated to 31 December 2003 by a qualified independent actuary. The major assumptions used by the actuary were (in nominal terms):

The major assumptions adopted in this valuation were:-

	31 December 2003	31 December 2002	31 December 2001
Rate of increase in salaries	4.30%	3.90%	4.00%
Rate of increase of pensions in payment	2.80%	2.40%	2.50%
Discount rate	5.40%	5.50%	6.00%
Inflation	2.80%	2.40%	2.50%

The assets of Deseret UK Benefit Plans and the expected rate of return were :-

	£million	At 31 December 2003	At 31 December 2002	At 31 December 2001
		Return	Return	Return
Equities	8.83	7.00%	7.00%	7.00%
Bonds and Cash	2.13	4.75%	4.21%	4.60%
Property	0.33	5.40%	5.50%	6.00%
Total market value of assets	11.29			
Actuarial value of liability	(18.29)			
Deficit in the scheme	(7.00)			

The charge for pension costs in 2003 was £536,000 (2002:£397,100)

The company is unable to identify its share of the underlying assets and liabilities of the scheme. As a result the company's cost is based on pension contributions payable in accordance with advice of professionally qualified actuaries.

20 TRUSTEE'S

During the year none of the Trustee's of the charity received any reimbursements in connection with their role as trustee's.

The principal object of the charity is to promote and further the religious and charitable work of The Church of Jesus Christ of Latter-day Saints in Great Britain and Ireland.

## ORGANISATION OF THE CHURCH

The parent organisation of the charity, The Church of Jesus Christ of Latter-day Saints, is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various Quorums of Seventy. Members of these quorums are called General or Area Authorities three of whom will be called to serve as an Area Presidency.

There are a number of Area Presidencies called to administer the affairs of the Church on a day to day basis throughout the world. One of these Area Presidencies is based in England and has responsibility for Great Britain, Ireland, France, Spain, Italy, Portugal, the African states north of the Sahara desert, the Flemish part of Belgium and the French speaking part of Switzerland.

The Church has no paid ministry and thus all local leadership positions are filled by members, men and women, who volunteer to serve in whatever position to which they are called.

The smallest unit in the Church is a Branch, which will be established whenever there are members permanently residing in a location where there is no convenient unit for them to attend. Over time the unit will grow and when it has sufficient strength to run all the programmes then it will become a Ward. All members of the Church belong to a designated Ward or Branch.

Where there is only a small number of members in branches in a defined locality they will be grouped to form a District. Once a District becomes sufficiently large (currently approximately 2,000 members) it will become a Stake. Stakes and Districts are created to facilitate the ministering and administration of the Church.

With the organisation of members into units there becomes a need for facilities in which to meet for worship and religious instruction plus administrative systems to handle finances and membership needs in particular. At the unit level these functions are carried out by volunteer members but there are a small number of employees at Area level to provide support and training to ensure that facilities and systems are maintained to an acceptable standard. Further whilst many of the cleaning duties in our meetinghouses are undertaken by members there are a number of part-time cleaners employed.



## REVIEW OF THE YEAR

Our active membership continues to grow resulting in increased attendances at our meetings. At the year end there were 45 Stakes, 1 District, 274 Wards and 95 Branches in Great Britain and Ireland. We own 274 meetinghouses and where we have no facility of our own we rent property to enable members to meet in their own locality until we are to provide them with a purpose built meetinghouse. We have an active programme for locating and then developing those sites to provide meetinghouses to accommodate our expanding membership. Additionally we continue to expand and upgrade our existing facilities to meet the needs of our members.

In 2000 we commenced a programme whereby from local member initiatives we would give support to charitable causes in their neighbourhood. This programme has been a great success and it now flourishes throughout Great Britain and Ireland. During the year we made grants or donated items to a value of £448,000 which were greatly appreciated by the charitable causes assisted and also our members many of whom selflessly give of their time and talents to others more in need in their local communities.

Our Humanitarian Aid programme to provide some basic essentials to those in need in other countries also continues to expand as more of our members devote of their time and talents. During 2003 we donated £500,000 to our sister charity The Church of Jesus Christ of Latter-day Saints (Welfare) to support the poor and needy in Great Britain and Ireland and to help finance the provision of food and other essentials to those in need in other countries.

As can be seen from our accounts a number of special funds have been established to meet specific needs. These programmes have been operating in the Church in the United States of America for a number of years with the exception of the Perpetual Education Fund which began in 2001. Further details of these funds are provided in note 8 to the financial statements on pages 15 and 16.

To assist in financing our growing activities our parent organisation The Corporation of the President of The Church of Jesus Christ of Latter-day Saints donated £5,000,000 which was absorbed in our ongoing programme of improving the standard of our meetinghouses. It is our goal to have a year's supply of funds in reserves to allow for fluctuations in income and the addition of £3,110,000, being the excess of income over expenditure for the year has enabled us to make significant progress towards this target. This strengthening of our reserves is timely as we see opportunities to expand our activities in the years ahead. Other than donations from our parent we are totally dependent on our member donations.

Keith Broadway  
Trustee  
15th December 2004